

FISCAL MEMORANDUM

HB 2216 – SB 2150

May 10, 2007

SUMMARY OF AMENDMENT (008468): Deletes the language of the original bill. Authorizes the Department of Transportation (TDOT) to develop and implement a program to encourage all political subdivisions of the state and public colleges and universities to increase the number of fleet vehicles that use alternative fuels. Authorizes the Department of Agriculture (DOA) to provide, develop, and implement an alternative fuel research program to stimulate public and private research for converting and producing agricultural products into alternative fuels.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$22,235,000 – One-Time
\$102,000 - Recurring

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – Exceeds \$100,000 / General Fund
\$75,000 / Highway Fund**

Assumptions applied to amendment:

- Alternative fuel vehicles replace traditional fuel vehicles as fleet vehicles would be replaced otherwise; therefore, the number of fleet vehicles within any political subdivision or within any public college or university would remain constant.
- The purchase price paid for alternative fuel vehicles approximates the purchase price that would be paid for traditional fuel vehicles.
- The recurring increase to state expenditures for TDOT to develop and implement a program as proposed is estimated to be \$75,000 per year from the Highway Fund. This estimated expenditure includes salary and benefits for one additional administrative position, plus costs related to program development, program administration, travel, meetings/presentations, printed materials related to the program, and distribution of such printed materials.
- The recurring increase to state expenditures for DOA to provide, develop, and implement a program as proposed is estimated to exceed

\$100,000 per year. This estimated expenditure includes salary and benefits for at least one additional administrative position, plus costs related to the development of the alternative fuel research program, program administration, travel, meetings/presentations, printed materials related to the program, and distribution of such printed materials.

- The total increase to recurring state expenditures is estimated to exceed \$175,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc